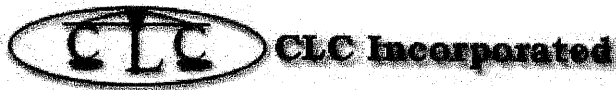


# Making Your Money Work for You

## **Training Program Participant Packet**

Presented by

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# **CLC Incorporated**

## **Presents**

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### **Making Your Money Work for You**

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The presentation's goal is to give the participant a foundation for managing their personal financial goals. Beginning with building a realistic budget, this seminar also provides advice on the following topics:

- How to build a workable month to month budget
- Techniques for building savings
- Setting Financial Goals
- Managing debt

Participant handout: "Your Tools To Develop Wealth"

Question and Answer Session

Seminar Length: Approximately 60 minutes



## **Your Tools to Develop Wealth**

### **Review Your Spending Plan**

Financial planning and financial stability begins with a well-prepared spending plan. Your spending plan compares how your actual expenses match your desired expenses, and is also a guide to future spending, promptly paying your bills, and maintaining your good credit. The first step in evaluating your current financial situation is to look at your monthly budget. Begin by looking at your monthly net income—your income after taxes.

### **Assess Your Spending Plan**

Add up your monthly obligations, average expenses, and flexible expenses. Subtract this figure from your monthly net income to determine your discretionary cash. Use the Spending Plan Worksheet on the following pages to help record your information.

1. Your worksheet is set up to track income and expenses. Change or add categories as needed.
2. Cross out categories that do not apply to your situation. Your expense categories should reflect the way you and your family spend money.
3. Go through your checkbook and your bills for the last two to three months. Add and delete categories from the worksheet to fit your expenditures. Enter average monthly expenditures from your checkbook from the last few months.
4. Go through pay stubs and calculate your average monthly gross and net pay; include any interest income, dividends, bonuses, or other miscellaneous income.
5. For quarterly, semi-annual or annual expenses, convert the payment to a monthly amount when calculating the monthly budget.
6. Track cash expenditures and record total cash expenditures at the end of the month.
7. Subtotal the income and expense categories.
8. Subtract the total expenses from the total income to arrive at your monthly net income.



## Spending Plan Worksheet

### Monthly Income

Monthly Take Home Pay (after all deductions) \_\_\_\_\_  
Spouse's Monthly Take Home Pay (after deductions) \_\_\_\_\_  
Child Support/Alimony Income \_\_\_\_\_  
Stock and Bond Monthly Income \_\_\_\_\_  
Interest Monthly Income \_\_\_\_\_  
Other Monthly Income \_\_\_\_\_  
**Total Income** \_\_\_\_\_

### HOUSING EXPENSES

Mortgage/Rent \_\_\_\_\_  
HELOC / 2nd Mortgage \_\_\_\_\_  
Real Estate Taxes \_\_\_\_\_  
Homeowner's Insurance \_\_\_\_\_  
Homeowner's Association Fee \_\_\_\_\_  
Home Repair/Maintenance \_\_\_\_\_  
**Total Housing Expense** \_\_\_\_\_

### CLOTHES

Adult(s) \_\_\_\_\_  
Kid(s) \_\_\_\_\_  
Cleaners/Alterations \_\_\_\_\_  
**Total Clothing Expense** \_\_\_\_\_

### PERSONAL

Haircuts/Etc. \_\_\_\_\_  
Gifts \_\_\_\_\_  
Subscriptions \_\_\_\_\_  
Health Club \_\_\_\_\_  
Other Memberships \_\_\_\_\_  
Other \_\_\_\_\_  
**Total Personal Expense** \_\_\_\_\_

### MEDICAL/DENTAL

Premiums (Individual policy) \_\_\_\_\_  
Co-Pays \_\_\_\_\_  
Prescriptions \_\_\_\_\_  
Vitamins \_\_\_\_\_

### FOOD

Groceries \_\_\_\_\_  
Eating Out \_\_\_\_\_  
Work Lunches \_\_\_\_\_  
School Lunches \_\_\_\_\_  
Tobacco/Liquor \_\_\_\_\_  
**Total Food Expense** \_\_\_\_\_

### KID'S ACTIVITIES

School (Tuition, etc.) \_\_\_\_\_  
Lessons \_\_\_\_\_  
Camp \_\_\_\_\_  
Sports \_\_\_\_\_  
Allowance \_\_\_\_\_  
**Total Kid's Activities** \_\_\_\_\_

### ENTERTAINMENT

Cable TV \_\_\_\_\_  
Internet Services \_\_\_\_\_  
Theater/CD/Videos \_\_\_\_\_  
Hobbies/Clubs/Magazine \_\_\_\_\_  
Dues/Subscriptions \_\_\_\_\_  
Travel/Vacations \_\_\_\_\_  
**Total Entertainment Expense** \_\_\_\_\_

### INSURANCE

Life \_\_\_\_\_  
Long-Term Care \_\_\_\_\_  
Disability Insurance \_\_\_\_\_  
Other \_\_\_\_\_



Total Medical/Dental \_\_\_\_\_

Total Insurance \_\_\_\_\_

***Spending Plan Worksheet (cont'd)***

**TELEPHONE**

Telephone \_\_\_\_\_

Mobile Phone-Pager \_\_\_\_\_

**Total Telephone** \_\_\_\_\_

**UTILITIES**

Electricity/Gas \_\_\_\_\_

Water/Sewer/Garbage \_\_\_\_\_

**Total Utilities Expense** \_\_\_\_\_

**TRANSPORTATION**

Car Payment(s) \_\_\_\_\_

Gasoline/Maintenance \_\_\_\_\_

Auto Insurance \_\_\_\_\_

Auto Registration \_\_\_\_\_

Bus Fare/Train/Parking \_\_\_\_\_

Other \_\_\_\_\_

**Total Transportation Expense** \_\_\_\_\_

**SAVINGS**

Monthly Retirement Savings \_\_\_\_\_

(Not deducted from paycheck) \_\_\_\_\_

Monthly Vacation Fund \_\_\_\_\_

Monthly Emergency Savings \_\_\_\_\_

Monthly College Funding \_\_\_\_\_

Other \_\_\_\_\_

**Total Monthly Savings** \_\_\_\_\_

**DEBT PAYMENTS**

Personal Loans \_\_\_\_\_

Student Loans \_\_\_\_\_

Credit Cards \_\_\_\_\_

Other \_\_\_\_\_

Other \_\_\_\_\_

**Total Debt Payment** \_\_\_\_\_

**MISCELLANEOUS**

Child Support Payments \_\_\_\_\_

Child Care \_\_\_\_\_

Donations/Tithe \_\_\_\_\_

Pocket Money \_\_\_\_\_

Other \_\_\_\_\_

**Total Miscellaneous** \_\_\_\_\_

**Net Cash Flow:**

**Total Monthly Income:** \$ \_\_\_\_\_

**Total Monthly Expenses:** \$ \_\_\_\_\_

**Total Discretionary Income:** \$ \_\_\_\_\_

(Subtract expenses from income)



## Assessing Your Net Worth

An integral step in evaluating your finances is assessing your net worth. To determine your net worth, you need to figure out what you own and what you owe. Determining the total amount of your assets and liabilities will enable you to calculate how much you have available to invest. Use the Net Worth Worksheet to help record your information and calculate net worth:

### Net Worth Worksheet

Assets	Value	Liabilities	Value
<b>What You Own:</b>		<b>What You Owe:</b>	
<b><i>Savings &amp; Investments</i></b>		Credit Cards	_____
Checking Accounts	_____	Line of Credit	_____
Savings Accounts	_____	Unpaid Bills	_____
Mutual Funds	_____	Car Loan/Lease	_____
Stocks	_____	Other Loans	_____
Bonds	_____	Investment Loans	_____
Real Estate	_____	Business Loans	_____
Cash Surrender Value of Life Insurance	_____	Other Debts	_____
Mortgage at Principal Value	_____	Mortgage	_____
Total Investment Assets	_____	<b>Total Liabilities</b>	\$ _____
<b><i>Personal Assets</i></b>			
Vehicles	_____		
Property/Furniture	_____		
Jewelry/Art/Collectibles	_____	<b>Total Assets</b>	\$ _____
Other Personal Assets	_____	<b>Total Liabilities</b>	\$ _____
Total Personal Assets	_____	<b>Total Assets</b>	
		<b>Minus Total Liabilities</b>	
		<b>=Your Net Worth</b>	\$ _____

## SETTING FINANCIAL GOALS

At this stage in the process, you would have determined whether your cash flow leaves you enough to invest. Now it is important to establish clearly defined goals



and objectives. Without clearly defined goals, it becomes hard to know how much to save, whether the return on your investment is adequate, and potentially when you would be converting the investment to cash to pay the expenses you have been saving for all along.

Goal setting begins when you have written them down!

### **Define Your Spending Goals**

Identify what you are looking to accomplish with your investments. Define your goals:

- buying your first or second home
- saving for your child's education
- planning retirement
- paying down debt
- other

For each goal, estimate the cost and the amount of time you need to achieve your goal.

**Step 1:** Identify and write down your financial goals, whether they are saving to send your kids to college, buying a new car, saving for a down payment on a house, going on vacation, paying off credit card debt, planning for retirement, etc.

**Step 2:** Break each financial goal down into several goals: short-term (less than 1 year), medium-term (1 to 3 years) and long-term (5 years or more).

**Step 4:** Evaluate your progress. Review your progress monthly, quarterly, or at any other interval you feel comfortable with, but at least semi-annually, to determine if your program is working. If you're not making satisfactory progress on a particular goal, re-evaluate your approach and make changes as necessary.

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